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Proposed Attorneys for Baptist Foundation of Arizona, Inc.
and certain subsidiaries

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re:) In Proceedings Under Chapter 11
)
BAPTIST FOUNDATION OF ARIZONA, INC.,) Case Nos. _____ through _____
an Arizona nonprofit 501(c)(3) corporation, et al.,)
) All Cases Jointly Administered Under Case
) No. _____
Debtors.)
) **EMERGENCY EX PARTE MOTION TO**
) **ESTABLISH CRITICAL PATH FOR**
) **CHAPTER 11 PROCEEDINGS**

BAPTIST FOUNDATION OF ARIZONA, INC., an Arizona 501(c)(3) nonprofit corporation (“BFA”), together with certain of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively with BFA, the “Companies”), hereby request that this Court, pursuant to Section 105 of the Bankruptcy Code, establish a critical path towards confirmation of the pre-negotiated plans of reorganization to be submitted shortly. The proposed critical path is set forth on Exhibit “1” attached hereto and incorporated herein by this reference.). This Motion is supported by the entire record before the Court, the “Affidavit of Joe Panter in Support of Chapter 11 Petitions and First Day Motions,” and the facts included herein.

1 RESPECTFULLY SUBMITTED this 9th day of November, 1999

2
3 **SQUIRE, SANDERS & DEMPSEY L.L.P.**

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6 Phoenix, Arizona 85004-4441

7 By: _____

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11 Proposed Attorneys for Baptist Foundation of
12 Arizona, Inc., and certain of its subsidiaries

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MEMORANDUM OF POINTS AND AUTHORITIES

STATEMENT OF FACTS

1. On November 9, 1999, the Company filed voluntary petition for relief under Chapter 11 of the United States Code (the "Bankruptcy Code"). A list of Companies is attached as Exhibit 1 to the Panter Affidavit and is incorporated herein by this reference.

2. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicate for the relief requested herein is Section 105 of the Bankruptcy Code.

3. After extensive, good faith negotiations, the Companies and an *ad hoc* committee of investors (the "Investor Committee") entered into a "Restructuring Agreement Regarding Pre-Negotiated Plan or Reorganization" dated as of October 30, 1999 (the "Restructuring Agreement"), which provides for the restructuring and reorganization of the Companies. A true and correct copy of the Restructuring Agreement is on file with the Court. The Restructuring Agreement will be implemented pursuant to a pre-negotiated, joint plan of reorganization (the "Plan") to be filed by the Companies and the Investor Committee.

4. The Companies have indebtedness of approximately \$640 million. Of this amount, approximately \$590 million represents debt securities issued primarily by BFA and, to a lesser extent, Arizona Southern Baptist New Church Ventures, Inc. and Christian Financial Partners, Inc. The Companies believe that there are approximately 13,000 holders of the debt securities located throughout the United States and in several foreign countries. A substantial number of the 13,000 holders are individuals, churches and building funds. Of the individual

1 holders of such debt securities, the Companies believe that more than two thirds are over the
2 age of 55.

3 5. The Companies believe that a meaningful number of its investors, as a result of
4 age and economic considerations, will experience very real hardships by protracted Chapter 11
5 reorganization proceedings. In that regard, under the Restructuring Agreement, upon
6 completion of the Chapter 11 proceedings, approximately \$40 million in cash will be made
7 available to those investors experiencing such hardships. Accordingly, the Companies believe
8 that it is imperative to proceed towards confirmation of the Plan implementing the Restructuring
9 Agreement as expeditiously as possible.
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11 **RELIEF REQUESTED**
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13 6. Subject to the Court's calendar considerations, the Companies and the Investor
14 Committee have developed a critical path towards a confirmation proceeding in the later part of
15 February 2000. Admittedly, the dates along the proposed critical path may change as
16 circumstances in these proceedings develop. Nevertheless, the Companies and the Investor
17 Committee believe that it is important (particularly to alleviate some of the fears and anxieties
18 of an investor group associated with the mere mentioning of a "bankruptcy") that a critical path
19 towards confirmation be established at the outset of these cases. The establishment of this
20 critical path is without prejudice to any party or the Court rescheduling such dates as
21 circumstances dictate.
22

23 7. Section 105(a) of the Bankruptcy Code permits the Court to "issue any order . . .
24 necessary or appropriate to carry out the provisions" of the Bankruptcy Code. Granting the
25 relief requested in this Motion is an appropriate use of the authority granted this Court under
26 Section 105(a) of the Bankruptcy Code in order to enhance the Companies ability to achieve a
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1 successful reorganization. For all of the foregoing reasons establishing a critical path is
2 necessary to the efficient and successful conclusion to the Companies' reorganization efforts.

3 8. The professionals for both the Companies and the Investor Committee will be
4 prepared to address the proposed critical path at the first day hearing contemplated for
5 November 9, 1999.
6

7 RESPECTFULLY SUBMITTED this 9th day of November, 1999
8

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EXHIBIT 1

BAPTIST FOUNDATION OF ARIZONA, INC.

- 1) Petition Date:..... November 9, 1999
- 2) Preliminary Injunction:..... November 30, 1999
 - Objections due by: November 30, 1999
 - Reply due by: December 7, 1999
 - Hearing Date: Week of December 13, 1999
- 3) Bar Date Matters:
 - Motion filed by: November 29, 1999
 - Bar Date: December 31, 1999
- 4) Filing Date for Plan,
Disclosure Statement
AND
Plan Supplement:..... December 10, 1999
 - Hearing on Disclosure Statement Week of January 3, 2000
 - Commencement of Solicitation:..... January 17, 2000
 - Completion of Solicitation:..... February 17, 2000
- 5) Confirmation Matters:
 - Confirmation Hearing:..... Week of February 21, 2000
 - Hearing on Consolidation:..... Coincides with Confirmation hearing